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## 2010 Economic Outlook Not So Gloomy

By: Chris Gallegos

Economically, 2009 will be a year some would like to forget. The Rochester Business Alliance hosted a panel discussion Tuesday, hoping to shed some light on what we can expect in 2010.

It brought together experts from different sectors of the economy – real estate, automotive, retail and employment – and asked them where the economy is going.

First, the real estate market didn't suffer the same fate as other markets in the country. But there are some fears for what 2010 will offer.

"We're anticipating some good numbers from January through June," said Ryan Tucholski, CEO of the Greater Rochester Association of Realtors.

Tucholski says the real estate market in the Rochester area actually gained momentum with the help of federal tax credits. That, however, could have a downside.

"One of our fears is that people will jump onto the wave a little bit too late," he added. "That would dramatically affect our inventory levels, which would have a greater affect on the market itself."

The focus for 2010 will be on median home prices, which has placed the Rochester area as one of the best markets in the country.

"This past year has been quite a roller coaster ride," said Brad McAreavy, president of the Rochester Auto Dealers Association.

2009 was hard on the auto industry. Two out of the three domestic auto makers went through bankruptcy. The hope is that 2010 is a little less volatile.

"Manufacturers seem to be setting levels at a pace that they can be successful and profitable, at a much lower level of consumer buying," said McAreavy.

Lower inventory means consumers are not going to see discounts and incentives as frequently as before.

"Value is the name of the game," said RIT's Robert Boehner.

Compared to 2008, 2009 wasn't a bad year for retail. Compared to 2007, 2009 wasn't good. What will 2010 bring? The panel says it all depends on the consumer. The panel adds the next 12 months don't look much different.

"I think that trend of soft sales and a cautious consumer is going to continue into 2010," said Boehner.

Lastly, employment: 2009 saw unemployment numbers skyrocket. 2010, the panel says, shouldn't be much worse.

"We are seeing things move in the right direction in terms of what has to happen before we see employment growth," said Gary Keith, a regional economist with M&T Bank.

Keith says a rebound in new orders and demand will give companies incentive to bring people back into the workforce. He adds that a rebound nationally will probably be more sluggish than the local recovery.

"We're seeing the unemployment level in Rochester, on a seasonally adjusted basis, really starting to get to a plateau." The longer term trend is that number should slowly work its way down throughout the course of the year."

Over all, there was optimism on the panel. Members are hoping for a much calmer year and one that continues to show signs of recovery.